GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Infrastructure & Investment Department – Development of Machilipatnam Port, Krishna District – Approval of DPR and Administrative Sanction for development of Machilipatnam Port – Orders – Issued.

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INFRASTRUCTURE & INVESTMENTS (PORTS-I) DEPARTMENT

G.O.MS.No. 14 Dated: 09-11-2020.

Read the following:

1) G.O.Ms.No.2, I&I (Ports-1) Dept. dated 30-1-2008.
2) G.O.Ms.No.15, I&I (Ports-1) Department dated 18-4-2008.
3) G.O.Ms.No.7, I&I (Ports-1) Department dated 15-4-2010.
4) G.O.Ms.No.66, I&I Department dated 08-08-2019.
5) From the Chief Executive Officer, APMB, Kakinada Letter No SE/PP3/464/2019 Dt.09-10-2020.

ORDER:

The coast line of Andhra Pradesh is 974 KMs, the 2nd longest in the country and is studded with (16) non-major ports (one Major Port at Visakhapatnam). Of the above, the following (3) non-major ports are developed.

(1) Kakinada Deep Water Port;
(2) Krishnapatnam Port; and
(3) Gangavaram Port.

2. Earlier to the development of these ports, only Kakinada Anchorage Port was handling about 2 million tons per annum prior to 2000-01 and after the development of the above ports, the present handling capacity of all the above ports has reached is arount 100.00 MT per annum.

3. Orders have been issued in the G.O. 1st read above, awarding the development of Machilipatnam Deep Water Port at Gilakaladindi near Machilipatnam to M/s. Mytas Infrastructure Pvt. Ltd. consortium, Hyderabad. A concession agreement was also entered into with M/s. Vajra Sea Ports Pvt. Ltd., the S.P.V. and later named as M/s. Machilipatnam Port Limited for development of Machilipatnam Deep Water Port in accordance with the orders issued in the G.O. 2nd read above. Consequent on their expressing inability to carry forward the project on 28-8-2009, Government after careful examination of the various issues involved in the request of M/s. Machilipatnam Port Limited and also considering the technical and financial competence of M/s. Navayuga Engineering Company Ltd., and also eligibility criteria laid down in the EoI have inducted M/s. Navayuga Engineering Company Ltd., as the Lead promoter of Machilipatnam Port Project – vide G.O. 3rd read above in supersession of the orders issued in the G.Os. 1st and 2nd read above. Though, M/s. Navayuga Engineering Company Ltd., were inducted as Lead Promoter of Machilipatnam Port Project as back as 15-4-2010, since there is no progress and not even achieved financial closure, and taking into consideration of the inaction of the Concessionaire in the development of port, Government have cancelled the

Concession Agreement dated 07-06-2010 entered into with M/s. Navayuga Engineering Company Ltd. in the G.O. 4th read above.

4. In the meantime Visakhapatnam–Chennai Industrial Corridor (VCIC), which is a key part of the East Coast Economic Corridor (ECEC), India's first coastal corridor has been notified. The corridor traverses nine districts of the state of Andhra Pradesh. VCIC intends to complement the ongoing efforts of the Government of Andhra Pradesh (GoAP) to enhance industrial growth. VCIC supports Government of India (GOI)'s strategy to develop industrial corridors of international standards for expanding its manufacturing and services sectors, and creating modern urban centres connected by state-of-the-art infrastructure. GOI has selected the Asian Development Bank (ADB) as the lead partner for developing the ECEC, which will run from Kolkata to Kanyakumari, encompassing the four states of Andhra Pradesh, Tamil Nadu, Odisha, and West Bengal. Due to its vast scope, ECEC is being implemented in a phased manner, with VCIC as the first phase.

5. In this scenario, Government of Andhra Pradesh is keen in developing the following four non-major ports, now to cater to the increasing demand of various types of bulk and container cargo etc., which may likely to handle 300-350 Million tons per annum by 2024-25:

1. Bhavanapadu Port in Srikakulam District;
2. Kakinada Port in East Godavari;
3. Machilipatnam Port in Krishna District; and
4. Ramayapatnam Port in Prakasham District.

6. Kakinada Port has been awarded to GMR SEZ Gateway Pvt. Ltd. RITES, consultants, were engaged for preparation of Detailed Project Reports (DPRs) for the development of Bhavanapadu Port in Srikakulam District and Ramayampatanm Port in Prakasham District. The DPR prepared for the development of Ramayapatnam Port has been approved and administrative sanction has been accorded to take up development on Land Lord concept – vide G.O.Ms.No.2, I&I (Ports) Dated 15-6-2020. The DPR for the development of Port Bhavanapadu has been accorded sanction to take up development on Land Lord concept – vide G.O.Ms.No.6, I&I (Ports) Dated 25-08-2020.

7. M/s RITES Ltd., has submitted Draft Detailed Project Report (DPR) for development of Greenfield Port at Machilipatnam on Dt.31-08-2020.

8. The Chief Executive Officer, APMB has reported that the total project is envisaged to be developed in phases under Land Lord Model. Initially it is proposed to take up Phase-I development, comprising of development of 4 General Cargo + 1 Coal + 1 Container berths, by creating the required infrastructure in 800 acres with completion period of 36 months. He requested the Government to approve the DPR prepared by M/s. RITES and also accord administrative sanction to take up Phase-I of the Project works with a total estimated cost of Rs.5835 crores in 36 months for development of Machilipatnam Port in Krishna District by providing State support to an extent of Rs.1000.00 crores and to permit the APMB to raise debt Rs.4745 cores with appropriate support of the State Government and to grant permission to call for tenders and all further actions by APMB.

9. Government after careful examination of the matter hereby approve the DPR prepared by M/s. RITES towards development of Machilipatnam Port in Krishna District under Land Lord model and hereby accord administrative sanction to take up Phase-1 works with total project cost of Rs.5835 crores with completion period of 36 months for development of Machilipatnam Port in Krishna District by providing State support to an extent of Rs.1000.00 crores. The AP Maritime Board to provide Rs.90 crores towards balance acquisition of land of an extent of Ac.225.00 required for Phase-I for creation of infrastructure.

10. Further Government permit the AP Maritime Board to raise debt of not exceeding Rs.4745 crores with appropriate support of the State Government. The AP Maritime Board is also hereby permitted to call for tenders and take all further actions for execution of the project.

11. The Chief Executive Officer, A.P. Maritime Board, Kakinada shall take necessary action accordingly.

12. This order issues with the concurrence of Finance Department, vide their U.O.No. FIN01-FMU0ASD(IC)/202/2020-FMU-IIEIC, dated 04.11.2020

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R.KARIKAL VALVEN
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Chief Executive Officer, Andhra Pradesh Maritime Board, Kakinada
The Managing Director, Machilipatnam Port Development Corporation Limited (RPDCL)
The District Collector, Krishna District.
The Prl.Accountant General (Audit.I) A.P.,Vijayawada
The Director of Treasuries & Accounts,Vijayawada
The Director, Works & Accounts, AP
The District Treasury Officer, Krishna District.
Copy to:
The Secretary, Government of India, Ministry of Shipping, New Delhi.
The OSD to Secretary to Hon'ble CM
The OSD to Hon'ble M(I&I) Dept.
The Finance (FMU-ENERGY&I&I) Dept.
The GA(Cabinet) Dept., Secretariat, AP., Velagapudi
The PS to Special Chief Secretary to Govt.I&I Dept.

//FORWARDED :: BY ORDER//

SECTION OFFICER